

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 649 - HB 1213

March 8, 2021

SUMMARY OF BILL: Prohibits the Department of Safety (DOS) from suspending a person's driver license as a result of failure to timely pay litigation taxes, court costs, and fines assessed as a result of disposition of any criminal offense.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue –

**Exceeds \$5,000/FY21-22 and Subsequent Years/Various State Funds
\$108,100/FY21-22 and Subsequent Years/Department of Safety**

Decrease State Expenditures – Net Impact –

**\$2,900/FY21-22
\$7,700/FY22-23 and Subsequent Years**

Decrease Local Revenue – Exceeds \$10,000/FY21-22 and Subsequent Years

Assumptions:

- Pursuant to Tenn. Code Ann. § 40-24-104(b) whenever a court orders a defendant to pay a fine, imposed as a result of a traffic violation, in installment payments, the court shall revoke the defendant's privilege to operate a motor vehicle in this state upon the failure of the defendant to comply with the order of the court.
- Passage of this legislation will not impact the DOS's ability to revoke driving privileges for failure to pay fines related to traffic offenses, and therefore will not impact overall collections of state and local fine revenue and courts costs related to such offenses.
- As of 2018, there were 89,196 outstanding revocations for failure to satisfy criminal offenses.
- DOS charges \$28 for a new driver license.
- According to information previously provided by DOS, an average of 19,297 drivers reinstate their licenses annually. It is assumed that at least 20 percent of these, or a minimum of 3,859 drivers, will not need to reinstate their driver's licenses each year as a result of the proposed legislation.
- The recurring decrease in state revenue to DOS from reduced license fees is estimated to exceed \$108,052 (minimum 3,859 drivers x \$28 fee).
- The current cost for DOS to print an identification card is \$1.99.

- There will be a decrease in state expenditures associated with printing costs for drivers who otherwise would have had their license revoked and later reissued under current law; but under the provisions of the proposed legislation, these expenses will not occur for this cohort of drivers because they will no longer lose their license and require the reissuance of the second license.
- The recurring decrease in state expenditures is estimated to be \$7,679 (3,859 drivers x \$1.99).
- Although studies have shown there is minimal collection of fine revenue from criminal offenses collected by state or local government, removing the suspension of driving privileges as a penalty for failure to pay litigation taxes, court costs, and fines will result in a decrease in state and local revenue for certain offenses in which fines are typically assessed and paid. The exact figure of which cannot be determined.
- It can be reasonably estimated that there will be a minimum mandatory decrease in local revenue of \$10,000 in FY21-22 and subsequent years. In addition, there will be a recurring decrease in state revenue to various funds from fines for certain offenses and state court fees estimated to exceed \$5,000.
- Any increase in workload to DOS can be accommodated within existing resources and personnel.
- According to information provided by DOS and verified by a third-party vendor, the current system to halt accepting notices of default on payment plans for criminal offenses for driver license suspension will need additional programming, estimated to cost \$4,800 in FY21-22.
- The net decrease in state expenditures to DOS in FY21-22 will be \$2,879 (\$7,679 - \$4,800).
- The recurring decrease in state expenditures to DOS in FY22-23 and subsequent years will be \$7,679.
- The recurring decrease in state revenue to DOS in FY21-22 and subsequent years will be \$108,052.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Bojan Savic, Interim Executive Director

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